



TENNESSEE REAL ESTATE News-Journal

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TREC Soon to Receive Technology Advances

License renewals will be enhanced this fall with on-line renewal fee payment availability. The on-line payment function was piloted by the Auctioneer Commission and worked very well for those licensees. There is currently a demonstration available on the Auctioneers website which can be accessed at www.state.tn.us/commerce/boards/auction and clicking on "Renew Your License Online". Along with the online fee payment you will be able to check your address, eliminate fee processing delays and receive a dated receipt and confirmation number regarding your fee payment.

Secondly, the licensing computer system for the Department of Commerce and Insurance will be replaced within the next year. The Multi Agency Regulatory System (MARS) will integrate and enhance the features in the current system plus add features which will greatly improve system performance and usability. The Real Estate Commission is looking forward to these two added technologies and the time saving functions and enhanced customer service features they provide.

Please check your wall license and/or pocket card to determine when your real estate license expires. Remember all requirements for license renewal must be completed 60 days prior to the license expiration date.



Spring 2006 Seminar in Sevierville, see story on page 4.

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IMPORTANT ALL LICENSEES:

We believe that as professionals you need the quickest and simplest way to get information. The Department of Commerce and Insurance wants to be at the forefront for the technology push in the state. In reaching that goal, we want to inform you that this may be the last paper copy of our newsletter that you will receive. Starting this fall, our newsletter will be available for download at our website or by email subscription. If you would like to receive this and other information through email, please subscribe by clicking on the link "newsletter sign-up" on the TREC website and provide your email address.

Tennessee Real Estate Commission's Basics of Staggering Licenses which expire 12-31-06

The Tennessee Real Estate Commission is changing the licensing period from a common two year period with all licenses expiring on December 31st of even numbered years to staggered licensing/renewal cycles. (Note: licenses issued on or after 7-1-05 already have staggered expiration dates and expire two years from the issue date.) The enabling statute which allows for staggering license expiration dates for licensees who were licensed prior to 7-1-05, limits changes in the duration of the license to no less than 6 months and no more than 18 months. To comply with Tennessee law and to evenly distribute the licensee population, the Tennessee Real Estate Commission, at its March 2006 meeting, voted to move forward with the following plan:

This licensee population (licensed prior to 7-1-05) will be divided into two groups. The group assignment will occur the minute the upcoming renewal applications are generated by the TREC computer system and are based on the rank and status of the licensee at that moment.

Group I = All Active Affiliate Brokers (**licensed prior to 7-1-05**)

Group II = All Brokers, Principal Brokers, Firms, Timeshare Salespersons, and All Inactive/Retired Licensees (**licensed prior to 7-1-05**)

When licensees renew licenses which currently expire 12-31-06, the following will occur:

Group I - Licensees will be issued licenses which will last for a minimum of 6 months to a maximum of 18 months

At the expiration of the 6 to 18 month licenses and upon renewal the next (and all future licenses) will be issued for periods of two (2) full years

Staggering for Group I licensees is complete when the first full 2 year license is issued (see continuing education information below)

Group II -All licensees will be issued licenses which will last exactly 1 year and will expire on 12-31-07

At the expiration of this 1 year license and upon renewal, licenses will be issued which will last for a minimum of 6 months to a maximum of 18 months.

At the expiration of the 6 to 18 month licenses and upon renewal the next (and all future licenses) will be issued for periods of two (2) full years.

Staggering for Group II licensees is complete when the first full 2 year license is issued.

Continuing Education:

Affiliates who need education will, for the most part, be included in Group I. Continuing education will not be required to renew a license unless that license is good for a full two (2) years. Active affiliate licensees who meet all requirements to renew their licenses in the fall of 2006 will receive a license which is good for 6 to 18 months and continuing education will not be necessary to renew that license. However, any affiliate who receives a license which is good for 2 years will be required to complete continuing education to renew that license. Note: the deadline for completion of required continuing education is 60 days prior to the license expiration date.

Disciplinary Actions

FEBRUARY 2006

THOMAS A. DORRIS
AF290767

Huntsville, AL

Mr. Dorris was assessed a civil penalty of \$250.00 for improper advertising.

TAWANDA KNIGHT
AF266590

Collierville, TN

Ms. Knight was assessed a civil penalty of \$1,000.00 for failure to disclose personal interest.

MICHAEL F. ONWUKA
AF260818

Collierville, TN

Mr. Onwuka was assessed a civil penalty of \$1,000.00 for failure to disclose personal interest.

**GREATER
CHATTANOOGA
REALTY**
**dba Keller Williams
Realty**
F258433
Chattanooga, TN

This firm was assessed a civil penalty of \$1,000.00 for misleading advertising.

KATHY MORGAN
PB248274

LaVergne, TN

Ms. Morgan was assessed a civil penalty of \$1,000.00 for failure to exercise reasonable skill and care.

DAVID L. SKEEN
PB6536
Jefferson City, TN

Mr. Skeen was assessed a civil penalty of \$750.00 for failure to disburse funds in a timely manner.

MARCH 2006

JERRY HUTSON
AF273684
Johnson City, TN

Mr. Hutson was assessed a civil penalty of \$1,000.00 for improper conduct.

RUTH HUTSON
PB264994
Johnson City, TN

Ms. Hutson was assessed a civil penalty of \$1000.00 for improper conduct.

LINDA L. BROWN
PB203193
Oak Ridge, TN

Ms. Brown was assessed a civil penalty of \$500.00 for an advertising violation.

JANNETTE M. MOSS
BR223403
Clarksville, TN

Ms. Moss was assessed a civil penalty of \$1,000.00 for improper conduct.

DAVID C. OSTERMAN
PB218193
Monterey, TN

Mr. Osterman was assessed a civil penalty of \$2,000.00 for failure to disclose agency and to furnish copies of contracts.

CRAIG DEVER
AF296638
Brentwood, TN

Mr. Dever was assessed a civil penalty of \$500.00 for misleading advertising.

KELLY DEVER
AF296852
Brentwood, TN

Ms. Dever was assessed a civil penalty of \$500.00 for misleading advertising.

APRIL 2006

**MARGARET C.
"PEGGY" HAYNES**
PB14692
Chattanooga, TN

Ms. Haynes was assessed a civil penalty of \$750.00 for untimely disbursement of earnest money.

DONALD ALDRIDGE
PB240790
Memphis, TN

Mr. Aldridge was assessed a civil penalty of \$500.00 for failing to maintain an escrow account.

MISSION REALTY
FM257862
Dalton, GA

Mission Realty was assessed a civil penalty of \$1,000.00 for operating an unlicensed branch office.

**PRIVETT & ASSOC.
REALTY**
F258911
Sevierville, TN

Privett & Associates Realty, LLC was assessed a civil penalty of \$250.00 for violation of signage.

**TERMINUS REAL
ESTATE
F257895
Knoxville, TN**

Terminus Real Estate was assessed a civil penalty of \$500.00 for failure to maintain records.

**CRYE-LEIKE BLUE
SKIES REAL ESTATE
F258278
Jackson, TN**

The Coach Approach Realty, dba Crye-Leike Blue Skies Real Estate was assessed a civil penalty of \$250.00 for failure to deposit earnest money.

MAY 2006

**VOLUNTEER REALTY
& AUCTION CO.
F8848
Jonesborough, TN**

Volunteer Realty & Auction Co. was assessed a civil penalty of \$500.00 for failure to disclose agency status.

**VASTLAND REALTY
GROUP, LLC
F255543
Nashville, TN**

Vastland Realty Group was assessed a civil penalty of \$500.00 for failure to maintain an escrow account.

**DAN HOLDER
REALTY
F246325
Hendersonville, TN**

The firm of Dan Holder Realty was assessed a civil penalty of \$500.00 for failure to maintain an escrow account.

**THE FULLER GROUP,
LLC
F258170
Knoxville, TN**

The Fuller Group was assessed a civil penalty of \$250.00 for failure to timely account for a trust fund deposit.

**C. A. HOWELL & CO.
F218681
Nashville, TN**

C. A. Howell and Company was assessed a civil penalty of \$500.00 for failure to maintain an escrow account.

**MARILYN B. GOOD
PB253038
Butler, TN**

Ms. Good was assessed a civil penalty of \$1,000.00 for failure to timely remit monies belonging to others.

**TRACY Y. WOOD
PB259505
LaVergne, TN**

Ms. Wood was assessed a civil penalty of \$500.00 for failure to timely remit monies belonging to others.

**MICHAEL J. GAUGHAN
PB215644
Hendersonville, TN**

Mr. Gaughan and Re/Max Choice Properties were assessed a civil penalty of \$2,500.00 for operating two unlicensed offices.

TREC Conducts Spring Seminars

The Tennessee Real Estate Commission along with Rice Insurance Companies, LLC conducted 18 seminars in 14 cities around the state during April, May and June. Topics of discussion included law, rule and policy updates concerning the practice of real estate and risk reduction techniques. Kathy Riggs, Director of Real Estate Education for the Commission and Stewart Prather, Senior Legal Analyst for Rice Insurance Companies, LLC, conducted the formal portions of the seminars and questions from licensees concluded the presentations.

Other topics presented included the license expiry date staggering process which will begin with license renewal this fall, the option of on-line payment of license renewal fees and the new licensing computer system which will be available to TREC within the next year.

Staff members of the Tennessee Real Estate Commission strive to provide the best service possible and appreciate kind words from licensees and citizens. However, employees of the State of Tennessee cannot accept gifts or flowers from licensees or citizens. If you would like to express your support of service provided by one or more of the staff members, please send a card or letter.

TREC Applications Changing to One Page

Beginning on or about the first day of July 2006, the license applications generated by PSI for affiliate brokers and brokers will look somewhat different. A candidate who successfully completes the examination receives only one page with their picture in the upper left hand corner – the second page they receive does not have the picture and the information contained on that second page consists only of instructions for completing the application (first page). The qualifying questions, which have historically appeared on page 2 of the application, have been moved to page 1.

This change was made to simplify the licensing procedure and the amount of paperwork. If you are assisting someone in the licensing process or if you are obtaining your Broker License, do not be alarmed when a one page application is issued upon successful completion of the examination. Instructions for filing the application have been designed to advise the applicant of all documents that must be included in the application packet.

The Affiliate Broker Application processing is slowed most often because the affiliate applicant failed to:

- Provide proof of real estate education (principles and CNA),
- Provide copy of proof of high school graduation,
- Provide proof of E&O Insurance Coverage, **AND/OR**

■ Fully complete the application itself (including all signatures and dates).

■ The processing fee (\$130.00) is rarely omitted from the package.

The Broker Application Process is slow most often because the candidates do not return the Tennessee affiliate broker license, provide proof of E&O Insurance coverage, and do not fully complete the application.

TREC Licensing Staff can process a fully completed application packet in a brief period of time. However, if the application is incomplete or required documents are missing, the process is slowed when the applicant must be contacted (sometimes more than once) to provide the information in question.

Two New Laws Effect Broker Act

Public Chapter 738 adds additional disclosure requirements to the Broker Act T.C.A. 62-13-404 (Duty owed to licensee's client). This law requires the following duties must be provided to real estate clients:

- (a) Scheduling all property showings on behalf of the client;
- (b) Receiving all offers and counter offers and forwarding them promptly to the client;
- (c) Answering all questions that the client may have in negotiation of a

successful purchase agreement within the scope of the licensee's expertise; and

- (d) Advising the client as to whatever forms, procedures and steps are needed after execution of the purchase agreement for a successful closing of the transaction.

If a consumer waives receipt of any or all of these duties, that consumer must be advised in writing by his/her agent that the consumer may not expect or seek assistance from any other licensees in the transaction for the performance for those services.

A statute of limitations for filing complaints against Tennessee Real Estate Licensees has been established. Under new law, consumers will have two years, in most cases, to file a complaint from the date of the alleged violation or the date that the complainant actually became aware of such violation. Secondly, TREC will be given greater authority to dismiss complaints which are not filed in a timely manner or complaints without reasonable cause. This new law requires buyers and sellers be provided with notice as to the statute of limitations on filing complaints and acknowledge receipt of such information in writing.

Tennessee Real Estate Commission

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Memphis

Editor: KATHY M. RIGGS, PH.D.,
Education Director

TREC Phone Menu

The six options are as
follows:

1. General Information
2. Licensing
3. Complaints
4. Education
5. Administration
6. If you know the name
of the staff member you are
calling

"The Tennessee Department of Commerce
and Insurance is committed to principles of
equal opportunity, equal access, and
affirmative action." Contact the EEO
Coordinator or ADA Coordinator
(615) 741-1328, for TDD 615-741-6276



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TREC Contact Information:

(615) 741-2273 or 1-800-342-4031

www.state.tn.us/commerce/boards/trec

Personnel & Areas of Responsibility

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Kim Dorris Karen Patton
Gil Dyer Richard Thomas
Rachel Fowler Paula VanBuren

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Education - Kathy Riggs

Reception and Filing

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Deboarh Malugen

Errors & Omissions Insurance Contractor for 2005 - 2006:

RICE INSURANCE SERVICES COMPANY, LLC

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